AGENDA

MONROE
NORTH
TIFA

TIFA
TAX INCREMENT FINANCE AUTHORITY

Board Members:

Jim Baldwin • Shaun Biel • Mayor Rosalynn Bliss • Elianna Bootzin • Diedre Deering
Kayem Dunn • Jane Gietzen • Carl Kelly • Mark Roys • Jim Talen • Rick Winn

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Wednesday, February 13, 2019
9:30 a.m. Meeting
29 Pearl Street, NW Suite #1

1.	Call to order		
2.	2019 Officer Election (9:31)		
3.	Approve Meeting Minutes from December 12, 2018 (9:36) (enclosure)	Motion	Biel
4.	Accept Financial Statements from December 31, 2018 (9:40) (enclosure)	Motion	Wallace
5.	Presentation of the FY2018 Audit (9:45) (enclosure)	Motion	Wallace
6.	MNTIFA and DGRI Service Agreement (10:00) (enclosure)	Motion	Kelly
7.	Downtown Transit Shelters (10:10) (enclosure)	Motion	H. Kelley
8.	PA 57 of 2018 Update (10:20) (enclosure)	Info Item	J. Wood
9.	President & CEO Report (10:30)	Info Item	Kelly
10.	Public Comment (10:35)		
11.	Board Member Discussion (10:40)		
12.	Adjournment		

DOWNTOWN GRAND RAPIDS INC.

UNAPPROVED MINUTES

Meeting of the City of Grand Rapids Tax Increment Financing Authority

December 12, 2018

1. Call to Order –The meeting was called to order at 10:06am

2. Attendance

   Present: Jane Gietzen, Rick Winn, Kayem Dunn, Elianna Bootzin, Shaun Biel, Jim Baldwin, Mayor Rosalynn Bliss, Diedre Deering, Jim Talen, Carl Kelly, Mark Roys.

   Absent: None

   Others Present: Tim Kelly (Executive Director), Flor Valera (Administrative Assistant), Jessica Wood (DGRI Legal Counsel), Jana Wallace, Stephanie Wong, Sam Suarez, Kimberly Van Driel, Mark Miller, Kyama Kitavi (DGRI Staff), Lynee Well and others.

3. Approve Meeting Minutes from June 13, 2018
   Mayor Rosalynn Bliss suggested a change to the June 13, 2018 minutes. The change was accepted unanimously.

   Motion: Jim Baldwin supported by Jane Gietzen, moved approval of the minutes from the June 13, 2018 meeting with accepted edits. Motion carried unanimously.

4. Accept Financial Statements from October 31, 2018
   Jana Wallace introduced the financial statements for the first four months of the Authority's fiscal year ending June 30, 2019. Ms. Wallace explained that summer tax increment revenues were distributed by the City Treasurer in September. She added that tax increment revenues on Statement B appeared as lower than budgeted because the Winter tax increment revenues haven't been distributed yet. The large annual personal property tax increment revenue loss reimbursement from the State of Michigan was received in November. Ms. Wallace concluded that FY2019 will be the third year the Authority receives this reimbursement.

   Motion: Jane Gietzen, supported by Rick Winn, moved to approve FY2019 Interim Financial Statements Through October 31, 2018. Motion carried unanimously.

5. Streetspace Guidelines
   Lynee Wells, President and CEO of Williams & Works, took a moment to thanked the various entities involved in creating these guidelines. Ms. Well said the Downtown Grand Rapids Streetspace Guidelines are meant to provide insights and design solutions for the development community, including and especially decision-makers representing both the public and private sectors. These guidelines establish baseline expectations for our downtown streetspace that further the goals of the GR Forward. Ms. Wells proceeded to give an overview of the many different elements of these guidelines. She explained that the guidelines are organized around various zones that include the flex zone, the pedestrian zone (the sidewalk area), and the frontage zone (building façade facing the sidewalk). The flex zone represents the portion of the street that is directly adjacent to the curb where

rebalancing can occur to convert the streetscape into a more pedestrian-centric place. Ms. Wells explained that each chapter provides guidance for the design, placement, scale and materiality of the elements that shape these specific zones as well as why the design and element are important to the overall streetscape experience. She added that city requirements and responsibilities are highlighted for each element in order to help potential document user navigate the process of building streetscapes. Ms. Wells concluded her presentation by encouraging the Board members to review the submitted draft and to provide any additional comments deemed necessary to finalize the document. Rick Winn asked when the guidelines would be published. Mark Miller said the goal is to publish them at the beginning of next year. Mr. Winn asked if this would be presented to City Commission. Mr. Kelly said they would be happy to present these guidelines to City Commission and added that various City departments were involved in developing these guidelines. The Board thanked Ms. Wells for her presentation.

6. Monroe North Activation Review

Kimberly Van Driel provided the Board with an overview of the work done to activate the 555 Monroe Avenue Lot that served as a venue for Movies on Monroe. Ms. Van Driel shared the list of projects that were completed to transform this space, which included the installation of festoon lighting, plantings, art work, and pallet furniture. She thanked all the volunteers who donated their time and effort in transforming this parking lot space into a welcoming space for people. After a short video, which highlighted the success of the activation of this space, Ms. Van Driel said the DGRI team is already planning for the upcoming Movies on Monroe series for 2019. Ms. Van Driel reported back on the recent Light Up Downtown event. The event attracted 1,700 attendees and the activities included reindeers and sled dogs, food trucks, photos with Santa and added that 14 community partners were there providing information about their services to the community. She concluded by providing an overview of the World of winter festivities that will include, Relax at Rosa on Ice, Valent-Ice Sculptures, Silent Disco on Ice, and the annual Human Hungry Hippo tournament. The Board applauded Ms. Van Driel for all her hard work and dedication.

7. President & CEO Report

DDA (11/14/18)

- Approved TIR reimbursement for Studio Park
- Approved support for Laughfet 2019
- Approved funding for Ah Nab Awen Park Redesign
- Approved a Downtown Enhancement Grant for Embassy Suites Hotel

DID (10/1/18)

- Approved financial statements through 6/30/18
- Adopted FY19 budget
- Received update on summer plantings and the Clean Team
- Approved FY19 capital project expenditures

MNTIFA (6/13/18)

- Adopted FY19 budget
- Approved MOU for DASH North services

DGRI (9/4/18)

- Received an update on The Rapid programs and projects furthering GR>> objectives

- Approved FY19 Performance Management Objectives
- Approved Clean Team contract amendment
- Discussed next steps for River governance
- Received overview of Downtown Neighbor Network

<u>Goal 1 – Reestablish the Grand River as the draw to the City and Region</u>

- Riverfront Trail Design Guidelines
  - Final Public Presentation occurred 11/1
  - Approval to DDA, Parks Advisory Board and City Commission being scheduled
  - Governance learning sessions begin November 28 w/ Bronx Riverfront Alliance

- Lyon Square Opportunity Site
  - Construction documents being developed for Phase 1 (Uplands)
  - Coordination ongoing with surrounding stakeholders for Phase 2
- Ah-Nab-Awen / Indian Mounds Park Enhancements
  - Changes include flood protection improvements, 15-foot trail section, enhanced public seating and new lighting from Pearl Street to Gillett Bridge
  - Construction complete in September 2018

<u>Goal 2 - Develop a true Downtown neighborhood home to a diverse population</u>

- Downtown Neighbor Network
  - Planning committee finalized mission, vision and goals at June meeting
  - Recommendations will be presented to Committee in July
  - Network Board/Committee seated in early 2019

- Development News
  - Studio Park
    - Ottawa extension summer 2019
    - Parking ramp September 2019
    - Theater and residential buildings summer/fall 2019
    - Hotel January 2020
    - Piazza bids due November

  - 50 Ottawa
    - Tower crane came down last week and focus is on interior build out
    - Warner Building will be complete spring 2019
    - Hyatt Place open summer 2019

  - 10 Ionia
    - Targeting a January 2019 groundbreaking
    - COW 11/13/18
    - BRA Board 11/21
    - MSF Board 12/18

  - 449 Bridge Street
    - Utility connection complete last week and will begin “going vertical” by December

- ➢ Target completion September 2019

<u>Goal 3 – Implement a 21st century mobility strategy</u>

- Bus Shelter Enhancements
  - Held Meeting with Mobile GR and Rapid staff to outline project funding and schedule
  - Initial work to begin winter 2019
  - Final install complete before end of FY2019

- Pedestrian Safety Enhancements
  - Improvements complete on Division Avenue north of Lyon
  - Keeler Building areaway reinforcement complete
  - Michigan Street crossing designs being finalized and the project will be complete spring 2019

- Division Avenue Bike Lane
  - Construction complete
  - Survey distributed and analysis ongoing

- Downtown Streetspace Guidelines
  - <u>*GR Forward* Goal 3 Alliance reviewed draft in May</u>
  - Meetings with various City departments being scheduled to review recommendations
  - Presentation to the DDA Board December 2018

<u>Goal 4 – Grow more & better jobs & ensure continued vitality of the local economy</u>

- Recruit a major office tenant to Downtown
  - Working with City and Right Place to develop a more concerted and intentional recruitment strategy to attract larger office tenants Downtown

- Foster ground-floor businesses to diversify the mix of Downtown retail offerings
  - Grant approved for Tamales Mary and Move Systems by DDA on 6/13
    - ➢ Move Systems just lunched a Dunkin cart (DNKN' GO) on Calder Plaza.
  - Working with Studio C! to support diverse offerings as part of their tenant mix

<u>Goal 5 – Reinvest in public space, culture & inclusive programming</u>

- VandenBerg Plaza/Calder Plaza Improvements
  - Short-term activation underway including food trucks and various entertainment options
  - Additional furniture deployed
  - Request for Qualifications issued to design the proposed pavilion at SE corner of plaza
  - Consultant selection approved at DDA 8/8
  - June 2019 is the 50th anniversary of the plaza's opening and a key organizing point for a celebratory moment

- Food Trucks
  - Extension of pilot ordinance approved by City Commission May 2018
  - Update to City Commission in December 2018
  - Final report and recommendations for ordinance to occur January 2019

- Public Realm Improvements
  - Spring plantings completed
  - Cigarette urns being deployed in four additional locations in June 2018
  - Pilot recycling program being deployed on Monroe Center in June 2018
  - Tree plantings with FOGRP scheduled
  - Michigan/Ottawa off ramp improvements being designed
  - Sheldon Avenue Linear Park improvements complete

- Explore opportunities to beautify public plaza at Van Andel Arena
  - Consultant team beginning work 11/15
  - Exploring partnership/funding opportunities for FY2019
  - Alley activation to begin this activation with former Art Prize installation (Ford Museum crocodiles)

- Division Avenue Safety and Cleanliness Improvements
  - Lighting
    - DDA authorized funding in May 2018
    - City completing design and identifying funding
  - Public Restrooms
    - City and DGRI working with Heartside Quality of Life committee to finalize design and operation of new public facilities for Cherry / Commerce and Weston / Commerce parking ramps
    - City and DGRI partnering to develop a sustainable facility management protocol for the new facilities.

- Public Art
  - Collaborating with UICA Exit Space to paint riverfront mural down the stairwell near the Grand Rapids Public Museum
  - Installation complete and traditional ceremony occurred 9/23
  - Exploring mural opportunities on MDOT wall behind MSU Research Center

9. <u>Public Comment</u>
None

10. <u>Board Member Discussion</u>
Board Member Diedre Deering took a moment to invite the board to the upcoming Monroe North Business Association Holiday Party. The event will take place on Thursday, December 20th at 5:00 P.M. at the Zoko restaurant.

11. <u>Adjournment</u>
The meeting adjourned at 10:48am

MEMORANDUM
CITY OF GRAND RAPIDS

Agenda Item # 4
February 13, 2019
Monroe North TIFA Meeting

DATE: January 22, 2019

TO: Monroe North Tax Increment Financing Authority

FROM: Jana M. Wallace
Treasurer

SUBJECT: FY2019 Interim Financial Statements Through December 31, 2018

Attached are the Monroe North Tax Increment Financing Authority interim financial statements for first six months of the Authority's fiscal year ending June 30, 2019.

Statement A: Balance Sheet
Statement B: FY2019 Statement of Revenues and Expenditures
Statement C: Schedule of November 1 through December 31, 2018 Expenditures

Winter tax increment revenues were distributed by the City Treasurer in December. The amount of tax increment revenues in the "Actual" column on Statement B is slightly higher than budgeted because the budget was prepared using estimated millage rates. The annual State of Michigan personal property tax increment revenue loss reimbursement was deposited in November. FY2019 is the third year the Authority received this reimbursement. A brief explanation of the Personal Property Exemption Losses program follows.

The Authority has sufficient cash to support budgeted expenditures. Please contact me at 456-4514 or at jwallace@grcity.us if you have any questions.

Attachments

DESCRIPTION OF THE PERSONAL PROPERTY EXEMPTION LOSSES REIMBURSEMENT PROGRAM

Beginning with calendar year 2016/FY2017, the Local Community Stabilization Authority (LCSA) Act, 2014 Public Act 86, (MCL 123.1341 to 123.1362) requires personal property tax reimbursement for all operating and debt millages to the extent that Michigan sales and use tax revenues are available.

The LCSA distributes PPEL reimbursements in the following order of priority:

1. 100% reimbursement for:
    - a. Local school district and intermediate school district (ISD) school debt loss in the current year and local school district sinking funding millage and public recreation and playground millage;
    - b. ISD operating millage;
    - c. School operating loss not reimbursed by the school aid fund;
    - d. Millages used to fund essential services (police, fire, ambulance, and jails);
    - e. **Decline in the tax increment finance (TIF) plan captured value of commercial and industrial personal property;** and
    - f. 2017 small taxpayer exemption loss.
2. Reimbursement for other millages are prorated and may be less than or more than 100%, depending on total calculated losses compared to available Local Community Stabilization Share (LCSS) revenue. The LCSS revenue is derived from the State Use Tax.

How to Calculate Local Unit and TIF Personal Property Exemption Losses (PPEL)

The PPEL is calculated by subtracting the current roll year's commercial and industrial personal property taxable value from the 2013 roll year's commercial and industrial personal property taxable value. Calculations include ad valorem property as well as property on the Industrial Facilities Tax (IFT) property roll with new facilities at 50%. For operating millage reimbursement calculations, the Michigan Department of Treasury subtracts any renaissance zone personal property taxable value from the PPEL calculations.

Source: http://www.michigan.gov/taxes/0,4676,7-238-43535_72736_81317---,00.html

STATEMENT A

MONROE NORTH
TAX INCREMENT FINANCING AUTHORITY
Balance Sheet
as of December 31, 2018

ASSETS		
Pooled Cash and Investments	$	2,024,789
Future Tax Increment Revenues Anticipated		72,600
General Fixed Assets		5,307,124
Less: Accumulated Depreciation		(3,610,734)
TOTAL ASSETS	**$**	**3,793,779**
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$	-
Contracts Payable		72,600
TOTAL LIABILITIES	**$**	**72,600**
Fund Balance / Equity:		
Investments in General Fixed Assets	$	1,696,390
Reserve for Compensated Absences		1,111
Reserve for Encumbrances		25,053
Reserve for Authorized Projects		1,998,625
TOTAL FUND EQUITY	**$**	**3,721,179**
TOTAL LIABILITIES & FUND EQUITY	**$**	**3,793,779**

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STATEMENT B

MONROE NORTH
TAX INCREMENT FINANCING AUTHORITY
FY2019 Statement of Revenues and Expenses
July 1, 2018 - December 31, 2018

	FY2019			
REVENUES	**Budget**		**Actual**	
Property Tax Increment	$ 417,410	$	423,823	
Property Tax Increment - Prior Year Appeals	(7,500)		-	
State of Michigan - Personal Property Losses	120,000		129,325	1
Investments Earnings	17,073		8,109	
Investments Earnings - FY2018 Accrual Reversal	-		12,455	2
From / (To) Fund Balance	231,028		-	
TOTAL REVENUES	**$ 778,011**	**$**	**573,712**	
EXPENSES				
Committed and Ongoing				
Contractual Services - Annual Audit	$ 5,060	$	-	
Contractual Services - Legal	5,000		1,804	
Floodwalls Debt Service - Interest	3,677		2,180	
Floodwalls Debt Service - Principal	34,200		34,200	
General Fund Departments Services	22,872		11,436	
Insurance - General Liability	802		330	
Share of DGRI Administration	6,200		1,632	
Staff Support / Personnel	65,000		5,187	
Supplies	200		-	
Sub-Total Committed and Ongoing	**$ 143,011**		**56,769**	
GR Forward Projects:				
Goal #1: Restore the River as the Draw and Create a Connected and Equitable River Corridor				
Asset and Riverwalk Maintenance	$ 10,000	$	-	
Downtown Planning - GR Forward	50,000		-	
Grand River Restoration	50,000		-	
Riverwalk Retrofits	50,000		-	
Sub-Total GR Forward - Goal #1	**$ 160,000**	**$**	**-**	
Goal #2: Create a True Downtown Neighborhood Which is Home to a Diverse Population				
Development Support - Miscellaneous	$ 20,000		-	
Downtown Census	5,000		-	
Downtown Enhancement Grants	25,000		-	
Infrastructure Improvements - Miscellaneous	10,000		-	
Sub-Total GR Forward - Goal #2	**$ 60,000**	**$**	**-**	
Goal #3: Implement a 21st Century Mobility Strategy				
Accessibility and Streetscape Improvement	$ 25,000		-	
Bicycle Instrastructure Improvements	50,000		-	
Newberry Street Reconstruction	200,000		76,303	
Public Realm Improvements	30,000		-	
Transit Improvements in Monroe North District	80,000		33,335	
Sub-Total GR Forward - Goal #3	**$ 385,000**	**$**	**109,638**	
Goal #5: Reinvest in Public Space, Culture, and Inclusive Programming				
Street Lighting Banner Brackets	$ 5,000		-	
Urban Recreation Plan	25,000		-	
Sub-Total GR Forward - Goal #5	**$ 30,000**	**$**	**-**	
TOTAL EXPENSES	**$ 778,011**	**$**	**166,407**	
EXCESS / (DEFICIT)	**$ -**	**$**	**407,305**	

Note 1: State of Michigan reimbursement for the MNTIFA's tax increment revenue losses associated with State-mandated industrial and commercial personal property exemptions. For FY2017 $108,171 was reimbursed. For FY2018, $122,248.

Note 2: GASB 31 requires 'mark to market,' entries to reflect current values of investments outstanding at year-end. The mark to market entry as of June 30, 2018 was negative, so the FY2018 Accural Reversal is a positive number.

STATEMENT C

MONROE NORTH TAX INCREMENT FINANCING AUTHORITY
Schedule of Expenditures
July 1 Through December 31, 2018

Date Posted	Vendor	Purpose / Project	Description	Amount
11/1/2018	Kamminga & Roodvoets Inc	Newberry Street Reconstruction	16065-Newberry-Monroe to Dvn (K&R-1606504)	$22,936.55
12/25/2018	Kamminga & Roodvoets Inc	Newberry Street Reconstruction	16065-Newberry-Monroe to Dvn (K&R-1606508)	11,588.81
11/26/2018	Kamminga & Roodvoets Inc	Newberry Street Reconstruction	16065-Newberry-Monroe to Dvn (K&R-1606506)	10,255.04
11/20/2018	Kamminga & Roodvoets Inc	Newberry Street Reconstruction	16065-Newberry-Monroe to Dvn (K&R-1606505)	5,963.44
11/29/2018	Fishbeck, Thompson, Carr & Huber	Newberry Street Reconstruction	16065-Newberry-Monroe to Dvn (FTCH-379260)	3,191.17
11/20/2018	Fishbeck, Thompson, Carr & Huber	Newberry Street Reconstruction	16065-Newberry-Monroe to Dvn (FTCH-378525)	2,134.84
11/13/2018	City Treasurer - Budget Office	General Fund Departments Services	IET - Operating Transfer A-87	1,906.00
12/12/2018	City Treasurer - Budget Office	General Fund Departments Services	IET - Operating Transfer A-87	1,906.00
11/3/2018	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 11/03/2018	810.29
12/1/2018	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 12/01/2018	589.31
11/12/2018	Dickinson Wright PLLC	Contractual Services - Legal	Legal: Misc. Matters 09/2018	220.00
11/8/2018	Priority Health	Staff Support / Personnel	Health Insurance Premium 01/2019 -03/2019	199.16
11/17/2018	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 11/17/2018	183.75
11/14/2018	HR Collaborative LLC	Share of DGRI Administration	HR Consultant 10/2018	109.45
12/17/2018	Fusion IT LLC	Share of DGRI Administration	Network Management upfront payment 12-06-18	93.93
11/20/2018	Federal Square Bldg Co. #1, LLC	Share of DGRI Administration	Lease: 29 Pearl Street 11/2018	89.70
12/12/2018	Federal Square Bldg Co. #1, LLC	Share of DGRI Administration	Lease: 29 Pearl Street 12/2018	89.70
11/8/2018	Custer Office Enviornments Inc	Share of DGRI Administration	Table/ Chairs for Conference Room 10/2018	69.56
11/15/2018	City Treasurer - Risk Mnmt	Insurance - General Liability	Monthly General Insurance Allocation	66.00
12/17/2018	HR Collaborative LLC	Share of DGRI Administration	HR Consultant 11/2018	53.26
12/15/2018	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 12/15/2018	36.84
12/6/2018	International Downtown Assn	Share of DGRI Administration	Nonprofit Membership 01/2019-12/2019	28.57
11/8/2018	The KR Group, Inc.	Share of DGRI Administration	IT services - laptop & office software 10/18	20.17
12/17/2018	The Hartford	Share of DGRI Administration	Workers Compensation renewal 12/2018	16.49
11/1/2018	Kelly Brewster	Newberry Street Reconstruction	16065 Newberry-Monroe to Dvn (# 862)	15.83
11/29/2018	TGG, Inc.	Staff Support / Personnel	Life & S/T & L/T disability insurance - 12/2018	14.58
11/29/2018	Blue Cross Blue Shield of Michigan	Staff Support / Personnel	Dental Insurance Premium 01/2019-03/2019	13.19
11/20/2018	The KR Group, Inc.	Share of DGRI Administration	IT services 12/2018	12.40
11/25/2018	Federal Square Bldg Co. #1, LLC	Share of DGRI Administration	Lease: 29 Pearl Street Mezz Office 11/2018	7.44
12/12/2018	Federal Square Bldg Co. #1, LLC	Share of DGRI Administration	Lease: 29 Pearl Street Mezz Office 12/2018	7.44
11/8/2018	Professional Maint of Michigan Inc.	Share of DGRI Administration	Janitorial services 10/2018	7.38
12/12/2018	Professional Maint of Michigan Inc.	Share of DGRI Administration	Janitorial services 11/2018	7.38
11/12/2018	Dickinson Wright PLLC	Share of DGRI Administration	Legal Services: Board of Advisors 09/2018	6.27
12/17/2018	Fusion IT LLC	Share of DGRI Administration	Network Management upfront payment 12-06-18	5.95
12/11/2018	Fifth Third Bank P-Card 11/2018	Share of DGRI Administration	New employee background checks 11/2018	5.62
12/6/2018	GreatAmerica Financial Svcs Corp	Share of DGRI Administration	Copier Lease 11/2018	5.27
11/8/2018	The KR Group, Inc.	Share of DGRI Administration	IT services 10/11/18-10/16/18	4.60
11/8/2018	GreatAmerica Financial Svcs Corp	Share of DGRI Administration	Copier Lease 10/2018	4.54
11/25/2018	TDS Metrocom, LLC	Share of DGRI Administration	Phone Service 11/2018	3.90
12/17/2018	TDS Metrocom, LLC	Share of DGRI Administration	Phone Service 12/2018	3.90
11/8/2018	The KR Group, Inc.	Share of DGRI Administration	IT services 10/22/2018	3.77
12/29/2018	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 12/29/2018	3.71
11/25/2018	The KR Group, Inc.	Share of DGRI Administration	IT services 10/2018	3.24
12/17/2018	The KR Group, Inc.	Share of DGRI Administration	IT services: 11/2018	3.24
11/20/2018	Federal Square Bldg Co. #1, LLC	Share of DGRI Administration	Utility Service: Electricity 10/2018-11/2018	3.10
12/19/2018	Dickinson Wright PLLC	Share of DGRI Administration	Legal Services: FOIA-review articles/bylaws 10/18	3.00
11/29/2018	Cellco Partnership dba Verizon	Share of DGRI Administration	Cell Phone Service 10/2018	2.89
12/17/2018	Cellco Partnership dba Verizon	Share of DGRI Administration	Cell Phone Service 11/2018	2.89
12/12/2018	MVP Sportsplex - GR, LLC	Staff Support / Personnel	Paid via Payroll Deductions 11/2018	2.88
12/11/2018	Fifth Third Bank P-Card 11/2018	Share of DGRI Administration	Staff Lunches for Meeting 11/2018	2.17
11/9/2018	Fifth Third Bank P-Card 10/2018	Share of DGRI Administration	Office Supplies	2.04
11/8/2018	Comcast	Share of DGRI Administration	Internet at 29 Pearl St NW 11/2018-12/2018	1.98
11/25/2018	Staples Contract & Commercial Inc.	Share of DGRI Administration	Office supplies 10/15/2018	1.79
12/6/2018	The KR Group, Inc.	Share of DGRI Administration	IT services- System Engineer 11/2018	1.67
11/14/2018	Madcap Coffee Company	Share of DGRI Administration	Meeting Supplies 11/2018	1.36
11/25/2018	Erika Townsley	Share of DGRI Administration	Photography: New DGRI Staff Portraits 11/2018	1.24
12/13/2018	Erika Townsley	Share of DGRI Administration	Photography: New DGRI Staff Portraits 11/2018	1.24
11/25/2018	Staples Contract & Commercial Inc.	Share of DGRI Administration	Office supplies 10/24/2018	1.12

continued on the next page

STATEMENT C - continued
Monroe North Tax Increment Financing Authority
Schedule of Expenditures
November 1 Through December 31, 2018

Date Posted	Vendor	Activity # Purpose / Project	Description	Amount
				continued from prior page
11/14/2018	Staples Contract & Commercial Inc.	Share of DGRI Administration	Office supplies 11/02/2018	$ 0.88
12/12/2018	The KR Group, Inc.	Share of DGRI Administration	IT services: System Engineer 11/19/2018	0.84
11/29/2018	Gordon Water Systems	Share of DGRI Administration	Water Cooler Lease 10/18-11/18	0.71
11/29/2018	Model Coverall Service Inc	Share of DGRI Administration	Floor Mat Rental 11/2018	0.56
12/6/2018	Model Coverall Service Inc	Share of DGRI Administration	Floor Mat Rental 05/28/2018	0.54
12/6/2018	Model Coverall Service Inc	Share of DGRI Administration	Floor Mat Rental 06/25/2018	0.54
11/8/2018	Model Coverall Service Inc	Share of DGRI Administration	Floor Mat Rental 10/2018	0.53
12/6/2018	Model Coverall Service Inc	Share of DGRI Administration	Floor Mat Rental 03/05/2018	0.53
12/17/2018	Fusion IT LLC	Share of DGRI Administration	Network Management - System Engin 12/18	0.38
12/11/2018	Fifth Third Bank P-Card 11/2018	Share of DGRI Administration	Office Supplies	0.12
			TOTAL NOVEMBER 1 THROUGH DECEMBER 31, 2018	**$62,732.68**

plante moran

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December 12, 2018

To the Members
Grand Rapids Tax Increment Financing Authority

We have audited the financial statements of Grand Rapids Tax Increment Financing Authority (the "Authority") as of and for the year ended June 30, 2018 and have issued our report thereon dated December 12, 2018. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 2, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on August 8, 2018.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2018.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 12, 2018.

To the Members
Grand Rapids Tax Increment Financing Authority

December 12, 2018

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the Grand Rapids Tax Increment Financing Authority board of trustees and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Joe Kowalski

Joe Kowalski

Will Brickey

William Brickey

Grand Rapids Tax Increment Financing Authority

(a component unit of the City of Grand Rapids, Michigan)

Financial Report
with Supplemental Information
June 30, 2018

Contents

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Independent Auditor's Report

To the Members
Grand Rapids Tax Increment
Financing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the governmental fund of the Grand Rapids Tax Increment Financing Authority (the "Authority"), a component unit of City of Grand Rapids, Michigan, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Grand Rapids Tax Increment Financing Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the governmental fund of the Grand Rapids Tax Increment Financing Authority as of June 30, 2018 and the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Members
Grand Rapids Tax Increment
Financing Authority

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of projects is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of projects has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

Other auditors have previously audited the Grand Rapids Tax Increment Financing Authority's June 30, 2017 financial statements and expressed an unmodified audit opinion on those basic financial statements in their report dated December 7, 2017.

Plante & Moran, PLLC

December 12, 2018

This section of the Grand Rapids Tax Increment Financing Authority's (the "Authority") financial report presents a discussion and analysis of the Authority's financial performance for the fiscal year ended June 30, 2018. This discussion has been prepared by management along with the financial statements and related footnote disclosures, and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. This discussion and analysis is designed to focus on current activities, resulting changes, and currently known facts.

Using this Financial Report

This financial report consists of two financial statements that focus on the financial condition of the Authority and the results of its operations as a whole.

One of the most important questions asked about governmental finances is whether the unit of government as a whole is better off or worse off as a result of the year's activities. The keys to understanding this question are the statement of net position and the statement of activities.

The statement of net position presents financial information on all of the Authority's assets, deferred outflows of resources, and liabilities, with the difference reported as net position. Deferred outflows of resources are the consumption of net position by the Authority that is applicable to a future reporting period. The statement of net position is prepared using the accrual basis of accounting, whereby revenue and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The Authority's net position is one indicator of the Authority's financial health. Over time, increases or decreases in net position indicate the improvement or erosion of the Authority's financial health.

Condensed Statement of Net Position

	2018	2017	Percent Change
Assets			
Current assets	$ 1,640,273	$ 1,492,086	9.9
Capital assets	1,696,390	1,886,621	(10.1)
Total assets	3,336,663	3,378,707	(1.2)
Deferred Outflows of Resources	6,470	9,705	(33.3)
Liabilities			
Current liabilities	23,516	16,342	43.9
Noncurrent liabilities	107,911	225,148	(52.1)
Total liabilities	131,427	241,490	(45.6)
Net position			
Net investment in capital assets	1,596,060	1,673,126	(4.6)
Restricted for authorized projects	1,615,646	1,473,796	9.6
Total net position	**$ 3,211,706**	**$ 3,146,922**	2.1

Current Assets

Equity in Pooled Cash and Investments

The City of Grand Rapids, Michigan maintains an investment pool for most city funds and component units. The Authority's portion of the investment pool is displayed on the statement of net position as equity in pooled cash and investments

Noncurrent Assets

Capital Assets, Net

At June 30, 2018, capital assets of nearly $1.7 million included land, land improvements, and buildings and structures, net of $3.6 million of accumulated depreciation. The difference between the capital assets on June 30, 2018 and June 30, 2017 is the $190,231 of annual depreciation expense recorded in fiscal year 2017.

Deferred Outflows of Resources

Vouchers Payable, Accrued Interest Payable, and Noncurrent Liabilities, Due Within One Year

The 2008 refunding by the Kent County Drain Commission of contracts payable for the floodwall improvement project resulted in a gain on refunding. The total gain is being amortized on a straight-line basis as a reduction in interest expense over the life of the new bonds. The unamortized portion at year end was $6,470.

Current Liabilities

Vouchers Payable and Accrued Interest Payable

Amounts due to suppliers and contractors and accrued interest payable have been accrued in the amount of $23,516.

Noncurrent Liabilities

Noncurrent liabilities consist of contracts payable, representing 2008 floodwall project principal payments plus certain long-term accrued staff compensation. The decrease from 2017 to 2018 is due to the scheduled debt principal payments made in 2018.

Net Position

Net position is the difference between the Authority's assets, plus deferred outflows of resources, and the Authority's liabilities. Total net position at June 30, 2018 was $3.2 million, which is 2.1 percent higher than at June 30, 2017.

Net Investment in Capital Assets

Net investment in capital assets of nearly $1.6 million includes the historical acquisition costs of land, land improvements, and buildings, net of accumulated depreciation, any outstanding related debt, and related deferred outflows of resources. This category indicates the portion of the total net assets that are not available for future appropriation or spending.

Restricted Net Position for Authorized Projects

Restricted net position of $1.6 million represents the balance available for authority projects on June 30, 2018. The Authority's net position is restricted by the requirements of Michigan Public Act 450 of 1980, as amended, which limits expenditures to those that further the Authority's development plan. The increase between the two fiscal years is due to the difference between the Authority's fiscal 2018 revenue and expenditures, not including the principal payment for the 2008 bonds and depreciation expense, which affected the net investment in capital assets.

Condensed Statement of Activities

	2018	2017	Percent Change
Revenue			
Property taxes	$ 373,259	$ 374,957	(0.5)
State grants	122,248	108,171	13.0
Investment earnings (losses)	18,643	(9,248)	(301.6)
Total revenue	514,150	473,880	8.5
Expenditures			
Urban development	440,218	497,236	(11.5)
Interest and paying agent fees	9,148	13,830	(33.9)
Total expenditures	449,366	511,066	(12.1)
Changes in Net Position	64,784	(37,186)	(274.2)
Net Position - Beginning of year	3,146,922	3,184,108	(1.2)
Net Position - End of year	**$ 3,211,706**	**$ 3,146,922**	2.1

Revenue

Property Taxes

The Authority's revenue is generated primarily through the use of property tax increment financing, in which the Authority captures ad valorem property tax and industrial facility tax revenue attributable to increases in the value of real and personal property within the district boundaries. Property tax revenue related to the State Education Tax, the Kent Intermediate School District, and the Grand Rapids Public Schools levies is not captured because the Authority had no eligible obligations outstanding when Proposal A took effect on January 1, 1995. Property tax increment revenue for the year ended June 30, 2018 includes property taxes levied July 1, 2017 and December 1, 2017.

Other Revenue

The Authority receives funds from the State of Michigan's Local Community Stabilization Authority to offset property tax increment revenue losses resulting from the State of Michigan's Small Taxpayer Personal Property and Eligible Manufacturing Personal Property (EMPP) exemptions that became effective during fiscal year 2017. This reimbursement is identified as state grants on the statement of activities.

Expenses

Urban Development

These expenses include operating expenses, public improvement project expenditures within the Monroe North Development Area, and the annual fixed asset depreciation expense.

Interest and Paying Agent Fees

In 1997 and 2000, the Kent County Drain Commission (the "Drain Commission") issued bonds for the purpose of funding the City of Grand Rapids, Michigan's share of floodwall improvements along the Grand River. These improvements consisted of embankments, river edge walkways, wall restoration, storm sewer flap gates, pump stations, etc. The Authority is responsible for 12 percent of the overall project debt service.

In 2008, most of the remaining maturities from both series were refunded by the Drain Commission for a net present value savings of 3.34 percent. The difference between the carrying value of refunded debt and its reacquisition price was $37,200, which is being deferred and amortized over the remaining lives of the bonds. The related debt service requirements for the Series 2008 bonds are met via assessments against the City of Grand Rapids, Michigan, the Authority, and the Downtown Development Authority. As the amount of principal owed declines each year, annual interest expenses also decline. Annually, the Authority accrues, as required, the amount of contract interest payable at June 30 of the year.

Overall Financial Position

Management believes the Authority is in good condition financially. Current tax increment revenue is adequate to cover current administration and project commitments, as well as ongoing debt service requirements.

Requests for Information

This financial report is designed to provide a general overview of the Grand Rapids Tax Increment Financing Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Grand Rapids Comptroller's Department, 300 Monroe Avenue NW, Grand Rapids, MI 49503.

Grand Rapids Tax Increment Financing Authority

Statement of Net Position/Governmental Fund Balance Sheet

June 30, 2018 and 2017

	2018			
	Governmental Fund	Adjustments (Note 3)	Statement of Net Position	Statement of Net Position 2017
Assets				
Equity in pooled cash and investments (Note 2)	$ 1,636,148	$ -	$ 1,636,148	$ 1,486,864
Receivables - Net	4,125	-	4,125	5,222
Capital assets: (Note 4)				
Assets not subject to depreciation	-	1,280,000	1,280,000	1,280,000
Assets subject to depreciation - Net	-	416,390	416,390	606,621
Total assets	1,640,273	1,696,390	3,336,663	3,378,707
Deferred Outflows of Resources - Deferred on refunding of bonds	-	6,470	6,470	9,705
Total assets and deferred outflows of resources	**$ 1,640,273**	1,702,860	3,343,133	3,388,412
Liabilities				
Vouchers payable	$ 22,789	-	22,789	14,839
Accrued interest payable	-	727	727	1,503
Noncurrent liabilities: (Note 5)				
Due within one year	-	34,897	34,897	117,510
Due in more than one year	-	73,014	73,014	107,638
Total liabilities	22,789	108,638	131,427	241,490
Equity				
Fund balance - Restricted for authorized projects	1,617,484	(1,617,484)	-	-
Total liabilities and fund balance	**$ 1,640,273**			
Net position:				
Net investment in capital assets		1,596,060	1,596,060	1,673,126
Restricted for authorized projects		1,615,646	1,615,646	1,473,796
Total net position		**$ 3,211,706**	**$ 3,211,706**	**$ 3,146,922**

See notes to financial statements.

Grand Rapids Tax Increment Financing Authority

Statement of Activities/Statement of Revenue, Expenditures, and Changes in Fund Balance

Years Ended June 30, 2018 and 2017

	2018			
	Governmental Fund	Adjustments (Note 3)	Statement of Activities	Statement of Activities 2017
Revenue				
Property taxes	$ 373,259	$ -	$ 373,259	$ 374,957
State grants	122,248	-	122,248	108,171
Investment earnings (losses)	18,643	-	18,643	(9,248)
Total revenue	514,150	-	514,150	473,880
Expenditures				
Urban development	250,824	189,394	440,218	497,236
Debt service:				
Principal	116,400	(116,400)	-	-
Interest and paying agent fees	6,689	2,459	9,148	13,830
Total expenditures	373,913	75,453	449,366	511,066
Net Change in Fund Balance/Net Position	140,237	(75,453)	64,784	(37,186)
Fund Balance/Net Position - Beginning of year	1,477,247	1,669,675	3,146,922	3,184,108
Fund Balance/Net Position - End of year	**$ 1,617,484**	**$ 1,594,222**	**$ 3,211,706**	**$ 3,146,922**

See notes to financial statements.

Note 1 - Reporting Entity

The Grand Rapids Tax Increment Financing Authority (the "Authority"), a component unit of the City of Grand Rapids, Michigan (the "City"), was created in December 1985 by the City and began operations in fiscal year 1987 under the provisions of Act 450, Public Acts of 1980 of the State of Michigan, as amended. The purpose of the Authority is to provide for the development of the Monroe North Development Area, which is bounded roughly by Coldbrook Street on the north, Ionia Avenue on the east, the Grand River on the west, and the south line of Newberry Street on the south.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The Authority follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Authority:

Basis of Accounting

The governmental fund uses the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Authority has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Employee benefit costs that will be funded in the future (such as compensated absences) are not counted until they come due for payment.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Authority considers amounts collected within 60 days of year end to be available for recognition; however, property tax increment revenue is recognized as revenue in the fiscal year for which it was levied.

The Authority uses the economic resources measurement focus and the full accrual basis of accounting to prepare the statement of net position and statement of activities. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Budget

The Grand Rapids City Commission annually approves the Authority's budget after the Authority's board members have reviewed and recommended it. After the City Commission approves the budget, the Authority's board members adopt it. The budget for the Authority is a project budget rather than an annual budget. Therefore, budget-to-actual information has not been reflected in the financial statements.

Specific Balances and Transactions

Cash and Investments

The City maintains an investment pool for most city funds, including component units such as the Authority. The Authority's portion of the investment pool is displayed on the balance sheet as equity in pooled cash and investments. The Authority's equity in this pool is deemed to be a cash equivalent for financial reporting purposes because cash may be withdrawn at any time without prior notice or penalty.

Note 2 - Significant Accounting Policies (Continued)

The investment policy adopted by the City Commission is governed by the provisions of Michigan Public Act 20 of 1943, as amended. The policy is designed to prioritize the preservation of principal, while also providing an investment return. Details on the investment policy and the categorization of cash and investments are included in the Comprehensive Annual Financial Report of the City of Grand Rapids, Michigan to give an indication of the level of risk assumed by the City at year end. It is not feasible to allocate the level of risk to the various component units of the City because of the commingling of assets in the pool. Interest income and investment losses from the cash and investment pooling is distributed by the city treasurer to the appropriate funds based on the fund's weighted-average share of the investment pool.

Deposits are less than 10 percent of the total portfolio. They consist of bank money market funds, demand deposit accounts, and certificates of deposits with original maturities greater than three months at the date of purchase. Michigan statutes require that deposits be maintained in financial institutions with offices located in Michigan. Most deposits are uninsured and uncollateralized.

Investments are a diversified mixture of U.S. government agency and U.S. Treasury securities, money market mutual funds that maintain a $1 value per share, obligations of the State of Michigan or its subdivisions with a rating of A or higher, and commercial paper rated by at least two rating organizations at their highest rating. All investments are reported at fair value.

Capital Assets

Capital assets, which include land improvements and buildings and structures, are reported on the statement of net position. Capital assets are defined by the Authority as assets with an initial individual cost of more than $10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Land improvements	20
Buildings and structures	30

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as "other financing sources" and bond discounts as "other financing uses."

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has only one type of item that qualifies for reporting in this category. The deferred on refunding of bonds results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Note 2 - Significant Accounting Policies (Continued)

Net Position

Net position of the Authority is classified in two components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through legislation or other external restrictions. In the case of the Authority, enabling legislation restricts the use of all of the Authority's resources.

Property Tax Revenue

The majority of the Authority's revenue is generated through property tax increment financing. Summer taxes are levied on July 1 and attach as an enforceable lien at that time. Summer taxes are due without penalty on or before July 31. Winter taxes are levied on December 1 and attach as an enforceable lien at that time. Winter taxes are due without penalty on or before February 14.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Comparative Data

The data for the prior year has been presented only for the statement of net position and statement of activities and has been presented only for informational purposes. These statements do not include the governmental fund balance sheet and the statement of revenue, expenditures, and changes in fund balance for the year ended June 30, 2017, which are necessary for a complete presentation in accordance with accounting principles generally accepted in the United States of America (GAAP).

Note 3 - Reconciliation of Fund Financial Statements to the Statement of Net Position/Statement of Activities

Net position reported in the statement of net position column is different than the fund balance reported in the governmental fund column. Below is a reconciliation of the differences as of June 30, 2018:

Fund Balances Reported in Governmental Fund	$ 1,617,484
Amounts reported in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the fund:	
Cost of capital assets	5,307,124
Accumulated depreciation	(3,610,734)
Net capital assets	1,696,390
Deferred outflows of resources are not available in the current period and, therefore, are not reported on the governmental fund balance sheet	6,470
Accrued interest is not due and payable in the current period and is not reported in the fund	(727)
Compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(1,111)
Contracts payable do not present a claim on current financial resources and are not reported as fund liabilities	(106,800)
Net Position	$ 3,211,706

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the governmental fund column because of the different measurement focus and basis of accounting. Below is a reconciliation of the differences for the year ended June 30, 2018:

Net Change in Fund Balance Reported in Governmental Fund	$ 140,237
Amounts reported in the statement of activities are different because:	
Governmental fund reports capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	(190,231)
Repayment of contract principal is an expenditure in the governmental fund, but not in the statement of activities (where it reduces long-term debt)	116,400
Interest expense is recognized in the statement of activities as it accrues	776
Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund	837
Amortization of deferred outflows that do not use current financial resources are not reported as expenditures in the governmental fund	(3,235)
Change in Net Position of Governmental Activities	$ 64,784

Note 4 - Capital Assets

The following table summarizes, by major class of asset, the capital asset activity for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Disposals and Adjustments	Balance June 30, 2018
Capital assets not being depreciated - Land	$ 1,280,000	$ -	$ -	$ 1,280,000
Capital assets being depreciated:				
Land improvements	3,853,469	-	-	3,853,469
Buildings and structures	173,655	-	-	173,655
Subtotal	4,027,124	-	-	4,027,124
Accumulated depreciation:				
Land improvements	3,263,852	181,729	-	3,445,581
Buildings and structures	156,651	8,502	-	165,153
Subtotal	3,420,503	190,231	-	3,610,734
Net capital assets being depreciated	606,621	(190,231)	-	416,390
Net capital assets	$ 1,886,621	$ (190,231)	$ -	$ 1,696,390

Note 5 - Long-term Debt

Long-term debt activity for the year ended June 30, 2018 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Contracts payable	$ 223,200	$ -	$ (116,400)	$ 106,800	$ 34,200
Compensated absences	1,948	88	(925)	1,111	697
Total governmental activities long-term debt	$ 225,148	$ 88	$ (117,325)	$ 107,911	$ 34,897

Contracts payable consists of a 2008 refunding, Kent County Drain Commission Contract Payable, bearing interest rates ranging from 4.00 percent to 4.25 percent and maturing at various amounts through November 2020.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Principal	Interest	Total
2019	$ 34,200	$ 3,677	$ 37,877
2020	35,400	2,240	37,640
2021	37,200	744	37,944
Total	$ 106,800	$ 6,661	$ 113,461

Note 6 - Contingencies

The Authority is subject to various legal proceedings and claims that arise in the ordinary course of its business. The Authority believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Other Supplemental Information

In December 2015, the Authority approved GR Forward, which established a vision and strategies for the future of Downtown Grand Rapids. Drawing on input from the community, GR Forward prioritizes ideas and projects that align with and enhance the collective vision and began building leadership around the following five goals:

Goal 1: Restore the Grand River as the draw and create a connected and equitable river corridor.

Goal 2: Establish a true downtown neighborhood that is home to a diverse population.

Goal 3: Implement a 21st century mobility strategy.

Goal 4: Expand job opportunities and ensure continued vitality of the local economy.

Goal 5: Reinvest in public space, culture, and inclusive programming.

The Authority has funds allocated to aid in implementation of the following priorities that align with GR Forward:

Goal 1: Restore the Grand River as the Draw and Create a Connected and Equitable River Corridor

- Asset and Riverwalk Maintenance (NTI)

Funding to continue the seasonal upkeep of the existing Riverwalk.

- Downtown plan:

Planning initiatives to further the goals of GR Forward. Proposed initiatives in FY2019 include:

- Completion of Streetspace and River Design Guidelines
- Governance and Management Plan for the Grand River Corridor

- Grand River activation:

Contribution to complete the design and permitting for the restoration of the Grand River.

- Riverwalk retrofits:

Implementation of recommendations for capital improvements from the River Design Guidelines process.

Goal 2: Establish a True Downtown Neighborhood That is Home to a Diverse Population

- Development support:

Funding for future projects. Program funds will be used to further promote economic growth and development in Monroe North by funding approved eligible expenses for new projects.

- Downtown census:

Update to existing downtown census. DGRI has committed to updating the census on a biannual basis to better understand the changing dynamics of the Downtown resident, employee and visitor populations.

- Downtown enhancement grant (i.e., Streetscape Improvement Incentive Program):

Funding for the Downtown Enhancement Grant Program. Funds will be used cover existing obligations and to continue to assist property and business owners in the rehabilitation of the downtown public realm. Funds are utilized to reimburse eligible activities, including installation of street furniture, snowmelt, and other public realm improvements.

- Infrastructure Improvements - Miscellaneous:

Funding improved public infrastructure in Monroe North, including new tree plantings.

Goal 3: Implement a 21st Century Mobility Strategy

- Accessibility and streetscape improvements:

Funding to implement recommendations from the downtown accessibility audit conducted by the Disability Advocates of Kent County.

- Bicycle infrastructure improvements

Funding to continue the implementation of bike parking infrastructure throughout downtown in partnership with MobileGR. A portion of funding is also anticipated to go toward the initiation of bike share.

- Mason Street reconstruction:

MNTIFA contribution to the reconstruction of Mason Street from Monroe to Division Avenue. Project is currently scheduled for FY2020 and will likely include pedestrian enhancements to improve the streetscape and walkability.

- Newberry Street reconstruction:

MNTIFA contribution to the reconstruction of Newberry Street from Monroe to Division Avenue. Project is currently scheduled for FY2019 and will include pedestrian enhancements to improve the streetscape and walkability.

- Ottawa/Coldbrook/Monroe intersection improvements reconstruction:

MNTIFA contribution to the reconstruction of the intersection at Ottawa, Coldbrook, and Monroe avenues to support the redevelopment of the Coldbrook Water Station. Project is currently scheduled for FY 2020.

- Public realm improvements:

Investment in infrastructure to support the continued improvement of the public realm in Monroe North, including trash and recycling bins.

- Transit improvements in Monroe North District:

Funding to help support the continued operation of DASH North, including proposed weekend and evening service.

Goal 5: Reinvest in Public Space, Culture, and Inclusive Programming

- Street lighting banner brackets

Expansion of infrastructure to enable district identity banners to be installed on key corridors.

- Urban recreation:

MNTIFA contribution to the installation of outdoor fitness equipment in Canal Street Park. This is an FY 2018 budgeted activity that will be billed in FY 2019.

Funding to implement recommendations from the downtown accessibility audit conducted by the Disability Advocates of Kent County.

- Bike friendly improvements:

Funding for bike parking infrastructure to expand the current program in partnership with MobileGR, the Traffic Safety Department, and the Greater Grand Rapids Bicycle Coalition to enhance and expand bike parking options downtown with a comprehensive bike parking plan (including new corrals, offstreet parking, etc.). Funding to conduct a demand/feasibility analysis for a citywide bikeshare will also be provided through this line item.

- Urban recreation: Parks Programming

DDA contribution to Urban Recreation Programming helps to fund free outdoor fitness programming, including Zumba, Werq, Kickboxing, and Pound classes, as well as dancing classes, including world dance, ballroom, and street beats. This program will also help to fund outdoor walking and running tours.

MEMORANDUM

MONROE
NORTH
TIFA

TIFA

Agenda Item #6
February 13, 2019
MNTIFA Meeting

DATE: February 13, 2019

TO: Monroe North TIFA

FROM: Tim Kelly, AICP
DGRI President and CEO

SUBJECT: MNTIFA Extension of Service Agreement with DGRI

The 2011 DDA Framework Plan recommended that the DDA and its key partners adopt a new organizational model to improve the management and advance the long-term development of Downtown Grand Rapids. The new organization would combine the resources of the Monroe North TIFA (MNTIFA), the Downtown Improvement District (DID), the Downtown Alliance (DA), and the Downtown Development Authority (DDA) to advance a common agenda. The new structure would achieve efficiencies by combining staff of the above referenced organizations and eliminate any confusion associated with having multiple downtown organizations.

On May 8, 2013, the MNTIFA Board of Directors authorized the implementation of the Downtown Grand Rapids, Inc. (DGRI) organizational model and plan for execution. Since that time, DGRI has operated as the singular management entity for the combined operations of the DDA, the DID and the MNTIFA.

On September 23, 2013, the MNTIFA and DGRI entered into a Services Agreement (the "Agreement") pursuant to which DGRI has agreed to perform certain services for the MNTIFA. The Agreement articulates and formalizes the operating relationships between the MNTIFA and DGRI. The initial term of the Agreement was extended in May 2015, and leadership from the DGRI Board of Advisors is seeking to renew the term pursuant to the provisions of the Agreement for an additional three years, commencing January 1, 2019, through June 30, 2022.

Recommendation: Approve the attached resolution and authorize the MNTIFA Board Chair to execute the attached services agreement addendum on behalf of the MNTIFA.

DOWNTOWN
GRAND RAPIDS INC.

RESTATED SERVICES AGREEMENT

THIS RESTATED SERVICES AGREEMENT (the "Agreement") is made as of February 14, 2019, by and between the **TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF GRAND RAPIDS**, also known as, the Monroe North Tax Increment Finance Authority, a statutory authority created by the City of Grand Rapids, Michigan (the "City"), pursuant to The Tax Increment Finance Authority Act, Act 450 of the Public Acts of Michigan of 1975, as amended and re-adopted in Act 57 of the Public Acts of Michigan of 2018 ("Act 57"), and action of the City Commission (the "City Commission") of the City (the "MNTIFA"), of 29 Pearl Street, N.W., Grand Rapids, Michigan, and **DOWNTOWN GRAND RAPIDS, INC.,** A Michigan non-profit corporation created pursuant to the Non Profit Corporation Act, Act 162 of the Public Acts of Michigan of 1982, as amended ("Act 162") ("DGRI"), of 29 Pearl Street, N.W., Grand Rapids, Michigan.

RECITALS

A. Pursuant to the provisions of Act 57, the City Commission created the MNTIFA for the purpose of halting a decline in property values, increasing property tax valuation, eliminating the causes of the decline in property values and promoting growth.

B. The MNTIFA is governed by a board (the "MNTIFA Board") appointed by the City's Mayor and confirmed by the City Commission, which operates within a defined district, as amended and as may be amended from time to time (the "MNTIFA District"), in accordance with development and tax increment financing plans for the MNTIFA development area, as amended, and as may be amended (the "Plans"), as approved and as may be approved from time to time by the MNTIFA Board and City Commission in accordance with Act 57.

C. DGRI was created, pursuant to Act 162.

D. The MNTIFA and DGRI entered into a Services Agreement to, assist the MNTIFA in the implementation of the Plans.

E. MNTIFA and DGRI desire to enter into this Agreement (i) restating the Services Agreement providing for the further implementation of the Plans and (ii) extending the term of the Services Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the MNTIFA and DGRI agree as follows:

Section 1. Engagement of DGRI. Subject to the terms and conditions of this Agreement, the MNTIFA engages DGRI to provide the Services set forth herein (the "Services") during the term hereof and DGRI accepts such engagement. In providing such Services, unless otherwise described herein, DGRI shall be responsible for providing necessary staff, furniture, equipment, supplies and office and meeting space.

Section 2. Specific Services. DGRI shall provide for and on behalf of the MNTIFA the following specific Services:

a. Long-term visioning, planning and advocacy for the MNTIFA District.

b. Implement projects and programs of the MNTIFA identified in the Plans in accordance with annual MNTIFA budgets approved by the MNTIFA Board and the City Commission.

c. Regularly review and recommend to the MNTIFA Board modifications and amendments to the Plans and the boundaries of the MNTIFA District.

d. Attend and staff MNTIFA Board and committee meetings including the taking and transcribing of meeting minutes and sending and posting of meeting notices as required by the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended ("Act 267").

e. Coordinate with the City Engineer's office planning and implementation of MNTIFA Board approved public facility capital improvement projects within the MNTIFA District.

f. To the extent funds are provided by the MNTIFA in the annual MNTIFA budgets, administer MNTIFA incentive programs as shall be approved by the MNTIFA Board from time to time, recommend to the MNTIFA Board projects for such programs and once projects have been approved, administer such projects on behalf of the MNTIFA.

g. Prepare and recommend the annual MNTIFA budget for approval by the MNTIFA Board and the City Commission.

h. Such other Services as shall be agreed to in writing by the MNTIFA and DGRI as permitted by, and in accordance with, Act 57.

i. Provide day-to-day administrative services in support of the other Services provided pursuant to this Agreement.

Section 3. Tangible Assets. If the MNTIFA shall acquire tangible assets (the "MNTIFA Assets") which are used by DGRI in connection with the Services and/or services provided pursuant to agreements with others, the annual depreciated amount of such assets, until fully depreciated, shall be allocated based on usage in accordance with Section 5 hereof for the purpose of crediting and assigning costs of such assets. DGRI agrees to keep a current inventory of such assets and any additions including the annual depreciated amount, which it shall provide to the MNTIFA from time to time upon request. DGRI shall not dispose of any such assets without the approval of the MNTIFA.

Section 4. Funding of Services. The MNTIFA shall provide, or cause to be provided sufficient tax increment funds or other funds available to MNTIFA to pay for the Services to be provided pursuant to this Agreement after giving the MNTIFA appropriate credit for any tangible assets used, in whole or in part, to provide services pursuant to DGRI agreements with others. DGRI shall establish and maintain a cost accounting system reasonably acceptable to the MNTIFA that separately accounts and records the expenses it incurs to perform the Services.

Section 5. Cost Allocation Methodology. DGRI shall deterimine the percentage of time each employee of DGRI will spend in providing the Services pursuant to this Agreement for each of DGRI's fiscal years ending during the term of this Agreement. Such percentage of each employee's compensation and an equal percentage of such employee's benefits shall be allocated to the Services. In addition, all or any portion of the annual amount of depreciated MNTIFA Assets, if any, made available to DGRI pursuant to this Agreement and any tangible assets not fully depreciated and made available to DGRI through agreements with others and utilized to provide the Services shall be allocated to the cost of providing the Services and, where such tangible assets are provided pursuant to DGRI agreements with others, credited to the owners of such tangible assets based on DGRIs' reasonable best efforts to estimate such allocated usage. All other costs of providing the Services, including, but not limited to, rent, utilities, office supplies, insurance premiums, annual auditing cost and staff education and development, shall be assigned to the Services provided pursuant to this Agreement based on the blended percentage of all DGRI employees performing Services pursuant to this Agreement and similar agreements with others.

Section 6. Accounting Records. DGRI shall keep or cause to be kept full and accurate accounting records related to its activities in providing the Services in accordance with generally accepted accounting principles. DGRI shall maintain or cause to be maintained a system of bookkeeping to track and apportion its expenses related to providing the Services so that they are separate from the other activities of DGRI that are not Services provided pursuant to this Agreement. DGRI shall, upon request, give an authorized representative(s) of the MNTIFA, designated by the MNTIFA Board, or an authorized representative(s), designated by the Chief Financial Officer of the City, access to inspect and audit such books and records as is deemed necessary and desirable by the MNTIFA or the City. DGRI shall keep and safely store or cause to be kept and stored such books and records for a minimum of three years.

Section 7. DGRI Employees. DGRI shall select and employ such employees as it deems necessary and as are provided for in the MNTIFA and City approved annual MNTIFA budget. Employees of DGRI shall not, for any purpose, be considered employees of the MNTIFA. Except as otherwise provided in this Agreement, DGRI shall be solely responsible for their supervision, direction and control, compensation and income tax and other applicable withholding, any employee benefits, employment insurance and workers' compensation insurance expenses.

Section 8. Nondiscrimination. In connection with performance of the Services pursuant to this Agreement, DGRI shall not discriminate against any employee or applicant for employment to be employed in performance of the Services with respect to hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment because of race, color, religion, natural origin, age, sex, height, weight, marital status, military status, sexual orientation or physical or mental disability. Breach of this covenant may be regarded as a material breach of this Agreement as provided in Act 220 and Act 243 of the Public Acts of Michigan of 1976, as amended, entitled the "Michigan Handicapper's Civil Rights Act" and the "Michigan Elliot-Larson Civil Rights Act."

Section 9. Insurance. DGRI shall keep in force, at all times during the term of this Agreement, a general commercial liability insurance policy, including public liability and property damage, subject to normal policy exclusions, covering the Services provided pursuant to this Agreement in a combined single limit of $1,000,000 for each occurrence and $3,000,000 in the annual aggregate. DGRI shall also maintain, if necessary, comprehensive automotive bodily injury and property damage insurance for business use covering all vehicles owned by DGRI and operated by DGRI employees in connection with the Services. The policies must be written by a company licensed to do business in the State of Michigan. The coverage amounts under the foregoing policies shall be re-evaluated every three years during the term of this Agreement. Both the MNTIFA and the City shall be named as an additional or co-insured as their interest may appear. Copies of the policies or certificates evidencing the policies shall be provided to the MNTIFA and the City upon request. Each policy or certificate shall contain a provision or endorsement stating that the policy will not be canceled or materially changed or altered without requiring 30 days' advanced written notice to the MNTIFA and the City. The terms of all insurance policies shall preclude subrogation claims against the MNTIFA and the City. The allocated cost of the premiums for such policies related to the Services provided pursuant to this Agreement shall be a permissible expense of providing such Services.

Section 10. Compliance with Laws. DRGI's provision of the Services pursuant to this Agreement shall at all times be in conformance with all applicable laws, ordinances, rules and regulations including, but not limited to, Act 57 and the conditions for and the limitations upon the use of MNTIFA tax increment revenues (as defined in Act 57) and other funds of the MNTIFA provided to DGRI to provide the Services. Further, DGRI including its Board of Advisors shall at all times in connection with providing the Services be subject to and will comply with Act 267 and the Freedom of Information Act, Act 442 of the Public Acts of Michigan of 1976, as amended.

Section 11. Ownership of Assets. The ownership of all equipment, furniture, displays, vehicles and similar tangible property acquired with funds provided by the MNTIFA shall immediately upon purchase or acquisition vest in the MNTIFA. DGRI shall keep a written current inventory of such assets identifying the owner which shall be available to the MNTIFA for review and inspection upon written request. The ownership of all consumable assets, such as office supplies and cleaning materials, purchased with funds received from the MNTIFA, shall remain with the MNTIFA, but such assets may be utilized and consumed by DGRI in the provision of the Services pursuant to this Agreement. The assets described herein shall not be pledged, liened, encumbered or otherwise alienated or assigned.

Section 12. Term. Subject to the provisions of this Agreement, its term shall commence on the Effective Date (set forth in Section 16.h. hereof) and continue through June 30, 2022, unless terminated earlier as provided in Section 13 hereof (the "Initial Term"). The MNTIFA and DGRI may mutually agree to renew this Agreement for five additional three-year terms (the "Renewal Terms") upon the same terms and conditions as stated in this Agreement as may be modified by agreement of the MNTIFA and DGRI. It is the intent of both the MNTIFA and DGRI that the arrangement between them as set forth in this Agreement be long-term and that the term of this Agreement be renewed for each of the Renewal Terms. If either party desires to renew this Agreement, it must notify the other in writing of that desire no sooner than 365 days and no later than 180 days before the expiration of the Initial Term or the then current Renewal Term. The party receiving such notice shall have until 30 days before expiration of the Initial Term or the current Renewal Term to grant or deny the request for renewal.

Section 13. Termination.

a. Except as otherwise provided elsewhere in this Section 13, either party may terminate this Agreement early upon default by the other party under this Agreement. A party shall be in default under this Agreement if such party fails in any material respect to perform or comply with any of the terms, covenants, agreements or conditions of this Agreement and such failure continues for more than 30 days after written notice of default from the other party. In the event that a default is not able to be cured by the defaulting party within such 30-day period, the defaulting party shall not be deemed in default so long as the defaulting party commences curing its breach within the 30-day period and thereafter diligently pursues such cure to completion.

b. DGRI has the right to terminate this Agreement early if the MNTIFA shall fail to provide funds to DGRI to provide for the Services as provided in Section 4 hereof and such failure continues for more than 10 days after the MNTIFA receives written notice of its intent to terminate this Agreement if funds are not received by DGRI within such 10 days.

c. The MNTIFA shall have the right to terminate this Agreement early if DGRI provides the Services in a grossly negligent manner or engages in willful and wanton misconduct in connection therewith and DGRI continues to perform in such manner for more than 15 days after receiving written notice from the MNTIFA of its intent to terminate this Agreement.

d. Either party shall have the right to terminate this Agreement early if the other party becomes insolvent or unable or unwilling to pay its debts, or the filing of a voluntary or involuntary petition in bankruptcy or of reorganization related to the other party.

Section 14. Effect of Termination. Upon termination of this Agreement, at the end of its Term or as provided in Section 13 hereof, (i) all obligations of the MNTIFA and DGRI shall terminate and (ii) DGRI shall surrender possession to the MNTIFA all tangible and intangible assets owned by the MNTIFA including all remaining funds it received from the MNTIFA that it has on hand at the time of termination after outstanding expenses have been paid.

Section 15. Notices. All notices and other communications to be given pursuant to this Agreement shall be given in writing and delivered personally, by first-class mail or by electronic e-mail, to the appropriate party at the address or e-mail address set forth below:

If to the MNTIFA:	Tax Increment Finance Authority of the City of Grand Rapids 29 Pearl Street, N.W. Grand Rapids, Michigan 49503 Attention: Chairperson E-mail:
If to the DGRI:	Downtown Grand Rapids, Inc. 29 Pearl Street, N.W. Grand Rapids, Michigan 49503 Attention: Chairperson E-mail: tkelly@downtowngr.org

Either party may change its designated address/e-mail address by delivery of written notice of the change to the other party. Notices shall be deemed effective upon actual receipt. Actual receipt of electronic e-mail transmissions shall be presumed based upon the transmitting party's record that it was sent and received.

Section 16. General Provisions.

a. This Agreement constitutes the entire agreement between the MNTIFA and DGRI and may be modified or amended in whole or in part from time to time only by mutual written agreement of the MNTIFA and DGRI.

b. This Agreement shall be interpreted under the laws of the State of Michigan.

c. If any particular clause or portion of this Agreement is rendered void, illegal, unenforceable or otherwise of no effect, the remaining provisions of this Agreement shall remain in full force and effect so that the essence and intent of this Agreement is preserved.

d. A failure by either party to give notice or insist on the immediate performance of any right that it has under this Agreement shall not constitute a waiver of that right or any other right under this Agreement.

e. The section headings of this Agreement are for convenience only and shall not be considered a part of the substance of this Agreement, or affect the interpretation of this Agreement.

f. This Agreement shall not be assigned, transferred or conveyed by either party without the prior written consent of the other party.

g. DGRI shall act solely as an independent contractor with respect to this Agreement. The relationship between the MNTIFA and DGRI under this Agreement shall in no way be construed to create a joint venture or partnership, or to constitute either party as an agent of the other for any purpose other than as set forth in this Agreement.

h. This Agreement shall be effective January 1, 2019 (the "Effective Date").

i. The parties agree that all rights and remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available at law or in equity.

IN WITNESS WHEREOF, the parties here signed this Agreement as of the date shown in the first paragraph hereof.

TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF GRAND RAPIDS

By: ____________________________________
Shaun Biel, Chairperson

DOWNTOWN GRAND RAPIDS, INC.

By: ____________________________________
Nikos Monoyios, Chairperson

TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF GRAND RAPIDS

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A RESTATED SERVICES AGREEMENT WITH DOWNTOWN GRAND RAPIDS, INC.

Boardmember ______________, supported by Boardmember ______________, moved the adoption of the following resolution:

WHEREAS, the Tax Increment Finance Authority of the City of Grand Rapids, a.k.a., Monroe North Tax Increment Finance Authority (the "MNTIFA") entered into a Services Agreement in 2013 and a First Addendum to Services Agreement in 2014 with Downtown Grand Rapids, Inc. ("DGRI"); and

WHEREAS, the MNTIFA desires to enter into a Restated Services Agreement (the "Restated Services Agreement") with DGRI extending the term to June 30, 2022.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the MNTIFA Restated Services Agreement substantially in the form presented at this meeting is approved with such modifications, not materially adverse to the MNTIFA, approved as to content by the Chairperson of the MNTIFA Board and as to form by legal counsel.

2. That the Chairperson of the MNTIFA Board is authorized and directed to execute the Restated Services Agreement for and on behalf of the MNTIFA.

3. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Boardmembers ____

____

NAYS: Boardmembers ____

ABSTAIN: Boardmembers ____

ABSENT: Boardmembers ____

RESOLUTION DECLARED ADOPTED.

Dated: February 13, 2019

____
Flor Valera
Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Recording Secretary of the Tax Increment Finance Authority of the City of Grand Rapids (the "MNTIFA"), do herby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the MNTIFA at a meeting held on February 13, 2019, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 13, 2019

____
Flor Valera
Recording Secretary

MEMORANDUM

MONROE
NORTH
TIFA

TIFA

Agenda Item #7
February 13, 2019
MNTIFA Meeting

DATE: February 13, 2019

TO: Monroe North TIFA

FROM: Hank Kelley, City of Grand Rapids Transportation Planning & Programs Supervisor

SUBJECT: Downtown Transit Stop Improvements

The Mobile GR & Parking Services Department in partnership with Downtown Grand Rapids, Inc. (DGRI) and The Rapid are implementing improved transit stops throughout downtown. This investment is consistent with the GR Forward Plan, the draft Downtown Streetspace Guidelines, and the prioritization of transit in the City's Vital Streets Plan, among other guiding documents.

The DDA/MNTIFA investment, along with $250,000 in funding from The Rapid and $750,000 in funding from Mobile GR capital funding resulted in the approval of a $1,500,000 contract ceiling by the Grand Rapids City Commission on December 4th, 2018 for use over a three-year period to upgrade transit stops city-wide. The contracts were awarded to Duo-Guard – a Michigan company with many years in the business of producing transit amenities like shelters and benches, along with Grand Rapids based Conceptual Site Furnishings – the current manufacturer for The Rapid transit benches.

Mobile GR continues to engage in numerous and ongoing discussions related to the project between department planning staff and staff at DGRI and The Rapid, in addition to the Mobile GR Commission. The project components were presented to the DGRI Goal 3 Alliance committee for information and feedback on the following dates:

- May 25, 2018
- July 23, 2018
- November 28, 2018
- December 19, 2018

The below stop selection factors were presented to the Goal 3 Alliance for consideration in December, along with a map showing stop locations and average daily boardings (ADB) within the DDA. As a result of these discussions, some factors were included for consideration, the logic for others was validated, and some factors were re-arranged. For example, sensitive locations and disability boardings were prioritized over other demographic factors under "Ridership Factors" due to the low number of census tracts within the DDA boundaries and therefore limited information that would provide.

DOWNTOWN
GRAND RAPIDS INC.

Ridership Factors

- Average Daily Boarding
- Sensitive locations (senior living, hospitals, etc.)
- Average (or total) ADA Fare type boardings
- Likely Transfer Points
- Serves multiple routes
- Demographic and Socioeconomic data (Census)
    - Disability population, Older adult population, No-car households, Non-white households, Low-income households
    - Population or employment density
- Proximity to Park and Ride opportunities (primarily DASH)
- Major points of interest / activity generation

Physical Factors

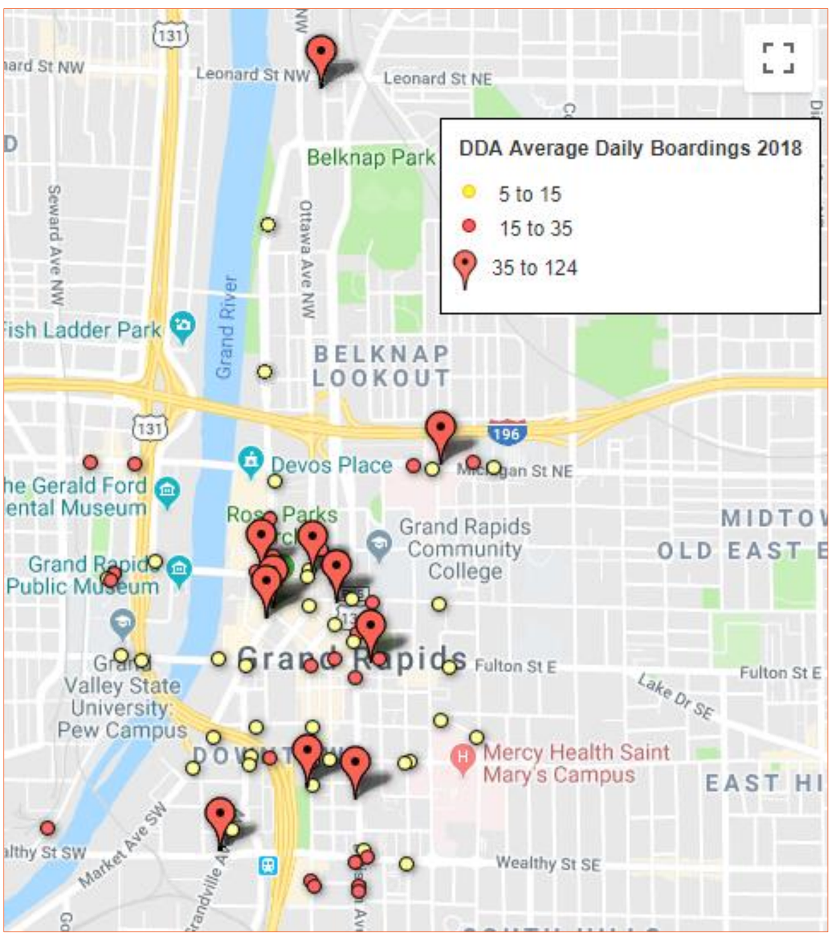
- Physical space is available in ROW without obstructing clearance for pedestrians
    - or Building owner is amenable to a mounted overhang
- Concrete surface is available to install a shelter
- No conflicts with heated sidewalks
- Shelter installation would not obstruct road clearance (2 ft. set-back from curb)
- Shelter would not block traffic and building sightlines
- Site is or can be made ADA compliant
- Site is on public property or has willing private partner
- Project overlaps with COGR Capital Improvement project (in particular roadway reconstruction projects)

The cost for one shelter is approximately $10,000; other improvements include minor concrete work to ensure accessibility in boarding zones and to properly install amenities. Typical ridership thresholds for shelters in other communities begin at 30 ADB. A lower threshold will apply to the MNTIFA given that only 2-3 locations within the MNTIFA boundaries exceed 15 ADB.

The shelters, along with ultimate maintenance responsibility, will belong to the City of Grand Rapids via the Mobile GR and Parking Services Department. For the downtown stops Mobile GR is in discussions with DGRI to partner on basic maintenance (snow removal, trash removal) through the Downtown Ambassadors Program. Additional maintenance (e.g. structural repair, periodic power-washing) is intended to be managed through City resources and contracts. Mobile GR and The Rapid staff are actively working to produce maintenance level of service guidelines for all stop amenities purchased and sited through this program.

Recommendation: Approve Funding for an amount not to exceed $30,000 in transit improvements with the Mobile GR & Parking Services Department.

Full-size Proposed Shelter (additional amenities not pictured - e.g. solar lighting, ad panel, branding, trash can etc.)

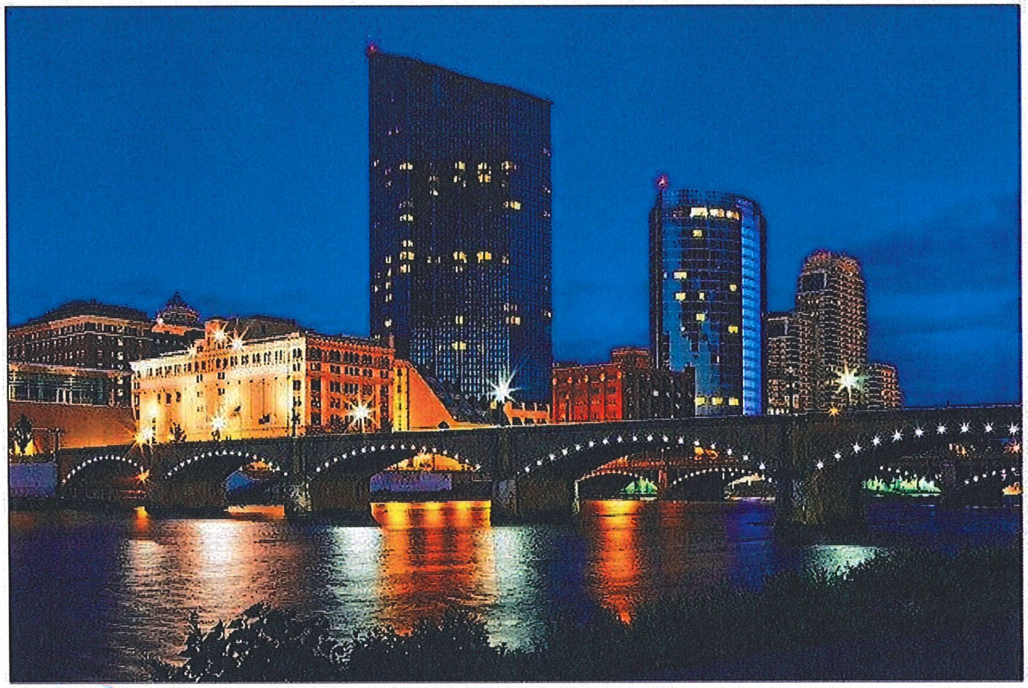


DASH and The Rapid Downtown Transit Stops without Existing Shelters, by Average Daily Boardings (2018 ridership data)

DICKINSON WRIGHT
presents

Public Act 57 of 2018:

THE REPEAL AND RECODIFICATION OF MULTIPLE ACTS RELATED TO TAX INCREMENT FINANCE AUTHORITIES



What the new legislation does:

- Repeals and recodifies multiple acts related to TIFAs (tax increment finance authorities).
- Subjects the TIFAs to standard reporting requirements.
- Provides for the continuation of existing TIFAs.
- Takes effect January 1, 2019.

Acts recodified

- Downtown Development Authority Act (1975 PA 197)
- Tax Increment Authority Act (1980 PA 450)
- Local Development Financing Authority (1986 PA 281)
- Nonprofit Street Railway Act (1867 PA 35)(only partially a TIFA, within zones)
- Corridor Improvement Authority Act (2005 PA 280)
- Water Resource Improvement Tax Increment Finance Authority Act (2008 PA 94)
- Neighborhood Improvement Authority Act (2007 PA 61)

Acts repealed

- Historical Neighborhood Tax Increment Finance Authority Act (2004 PA 530)
- Private Investment Infrastructure Funding Act (2010 PA 250)

General Reporting Requirements for 6 of the Recodified Acts

-TIFAs must create a website or use existing municipal website (regularly maintained with access to records and documents for the fiscal year) including:

- Minutes.
- Annual budget and audits.
- Current development plan if not included in TIF plan.
- Current TIF plan if capturing revenues.
- Staff contact information.
- List of current contracts and description of contracts and other documents related to authority management and services provided to the TIFA.

General reporting requirements continued...

- Information regarding TIF revenues described in annual audit that are not spent within 5 years and reasons for accumulating funds, uses for which they will be spent, a time frame for spending the funds, and the amount of and explanation for any funds that have not been spent within ten years of receipt.
- List of TIFA accomplishments including progress on development plan and TIF plan goals and objects for the immediately preceding fiscal year.
- List of TIFA projects and investments including active and completed projects for immediately preceding fiscal year.
- List of TIFA events and promotional campaigns for the immediately preceding fiscal year.

General reporting requirements continued…

- Records and documents phased in. Act requires that 5 years of information be disclosed, subject to phase in. Within 180 days of the end of the TIFA's fiscal year, its website must contain one year of information (the immediately preceding year). Then annually thereafter information shall be updated up to 5 years.
- If no existing website, records must be maintained at a physical, public location within municipality.

Financial Reporting Requirements

- The Department of Treasury ("DOT") is required to create a form for TIFAs to use to report the status of TIF accounts.
- DOT shall consult with professional organizations representing municipalities in developing reporting form.
- Reporting Form has not yet been created.
- Information required by reporting form includes:
  - Name of the TIFA.
  - Date the TIFA was formed.
  - Date the TIF plan is set to expire or terminate including whether it expired during immediately preceding fiscal year.
  - Date the TIFA began capturing TIF revenues.
  - Current base year taxable value of the TIF District.
  - Unencumbered fund balance for the immediately preceding fiscal year.
  - Encumbered fund balance for the immediately preceding fiscal year.

Financial Reporting Requirements continued…

- Amount and source of revenue in the account, including the amount from each taxing jurisdiction.
- Amount in any bond reserve account.
- Amount and purpose of expenditures from the account.
- Amount of principal and interest on any outstanding bonded indebtedness.
- Initial assessed value of the development area or TIFA district by property tax classification.
- Captured assed value retained by the TIFA by property tax classification.
- Tax increment revenues received for the immediately preceding fiscal year.
- Whether the TIFA amended its development plan or its TIF plan within the immediately preceding fiscal year and if so, a link to the current development plan or TIF plan as amended.
- Any additional information the governing body of the municipality or DOT considers necessary.

Financial reporting requirements continued…

- Form submitted annually by the TIFAs to the governing bodies of the municipalities, governing body of any taxing unit levying taxes subject to capture by the TIFA, and to DOT, at same time that annual financial report is required under the Uniform Budgeting and Accounting Act.
- DOT is required to collect reports and compile combined reports summarizing information and submit copies to each member of legislature.
- Within 90 days of Act's effective date each TIFA required to send DOT copy of or link to currently adopted development plan or TIF plan if separate from development plan.

Penalties for Noncompliance

of General and Financial Reporting Requirements

- DOT could institute proceedings to compel enforcement.
- DOT would send written notification to each TIFA in noncompliance, each taxing jurisdiction subject to capture, and the governing body of the establishing municipality.
- TIFA has 60 days to comply.
- Failure to comply would result in inability to capture beyond bonded indebtedness and other obligations for the period of noncompliance.
- During noncompliance period TIFA could not amend or approve TIF plan.
- If noncompliance period exceeds 2 consecutive years, TIFA could not capture the amount needed for bond debt without resolution from establishing municipality and each taxing jurisdiction subject to capture.
- Excess funds captured would be returned to taxing jurisdictions per statute.

Informational Meetings Requirements

- TIFA must hold at least 2 informational meetings each year.
- Notice must be given on website at least 14 days in advance.
- At least 14 days in advance, TIFA must mail notice to governing body of each taxing jurisdiction subject to capture OR TIFA could notify the Clerk of other taxing jurisdictions by email.
- Informational meeting may be held in conjunction with other public meetings of the TIFA or municipality.

Continuation of Existing Authorities

- For all practical purposes, the boards, financial arrangements, bonds, notes and other obligations, contractual rights and duties, and development and TIF plans continue despite repeal.
- Members continue terms.

DICKINSON WRIGHT
presents

For more information please contact:

Dick Wendt or Jessica Wood Dickinson Wright PLLC 200 Ottawa Avenue, N.W., Suite 1000
Grand Rapids, Michigan 49503 (616) 458-1300